

Senate votes to expand CHIP; outcome unclear

By MIKE DENNISON - IR State Bureau - 04/13/07

HELENA — The state Senate on Thursday voted to expand the Children's Health Insurance Plan in Montana, as supporters said there is enough money to cover thousands more children from low- and moderate-income working families.

But the fate of CHIP expansion is far from settled, as Thursday's move needs approval from the Republican-controlled House and Gov. Brian Schweitzer.

CHIP provides free, government-funded health insurance to children whose families earn up to 150 percent of the federal poverty level and who don't qualify for any other government health insurance program. It currently covers about 13,100 kids.

The Senate voted 29-21 to fund an increase of the income ceiling up to 200 percent of the federal poverty level, which is \$34,340 for a family of three.

Sen. Christine Kaufmann, D-Helena, who proposed the change, said the expansion would bring coverage to some of the 37,000 Montana kids not covered by health insurance.

At the very least, it will cover the 1,400 kids whose families applied for coverage in the past year but whose income was above the 150 percent ceiling, she said.

"The money is there," Kaufmann said. "I think we should use it. It's a good investment. This is a good time to get (these kids) on the right track."

All 26 Democrats in the Senate supported the expansion, along with three Republicans: Sens. Dave Lewis of Helena, Jim Peterson of Buffalo and John Cobb of Augusta.

The vote amended a budget bill providing money for CHIP and other human-service programs. However, the expansion can't occur without authorizing language in another bill, which sits in the House Appropriations Committee.

Rep. John Sinrud, R-Bozeman and chairman of the House panel, said Thursday he's not sure when the committee will act on that bill.

He did question the need to expand CHIP eligibility, noting that 800 slots in the CHIP program are unfilled, even with the income ceiling at 150 percent of the poverty level.

Sinrud also said any government-funded or government-subsidized health insurance should be targeted at those in the lower-income brackets. With the CHIP ceiling at 200 percent of poverty, a family of four can earn up to \$41,300 and qualify for the coverage, he said.

Schweitzer has said he supports increasing CHIP eligibility to 175 percent of the poverty level.

The governor's budget director, David Ewer, said Thursday he needs to evaluate the entire spending package coming out of the Legislature to see if further CHIP expansion is affordable for the state.

"We support a CHIP level that we can sustain," he said. "Anything more than (175 percent), we'd have to look and see if that's sustainable."

In effect since 1999, CHIP is funded by the state and federal government, which provides \$4 for every \$1 the state spends on the program, within certain limits.

Kaufmann said the expansion in her amendment can be financed by state CHIP money that has gone unspent in the current two-year budget, because CHIP slots have gone unfilled.

Some Republicans said the private market, rather than the government, should be providing health insurance, allowing people to make their own choices on what to buy.

“When the government pays for everybody, there’s no competition in the health care industry,” said Sen. Jerry O’Neil, R-Columbia Falls. “It might work in the future for a while, but at some point it will all come tumbling down.”

Supporters said children don’t get to choose whether they’re born into poverty or families without enough money to afford health insurance, and it makes sense for the state to provide them coverage.

“Ultimately it’s the kid, without this program, who doesn’t get to go to the doctor when they have an earache,” said Sen. Dan Weinberg, D-Whitefish. “It’s the kids who suffer.”